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DE RUEHVL #0898/01 2961508 ZNR UUUUU ZZH P 221508Z OCT 08 FM AMEMBASSY VILNIUS TO SECSTATE WASHDC PRIORITY 2985

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DHS FOR SECRETARY CHERTOFF FROM AMBASSADOR CLOUD

E.O. 12958: N/A

TAGS: PREL DHS KHLS KCSY EUN LH

SUBJECT: SCENESETTER FOR SECRETARY CHERTOFF'S VISIT TO

LITHUANIA

- 11. (SBU) Secretary Chertoff, welcome to Lithuania! We and the Government of Lithuania are very much looking forward to your visit on October 30. The announcement by President Bush of Lithuania's entry into the Visa Waiver Program October 17 was the fulfillment of a long standing (and much discussed) national goal. Though Lithuania has been independent for over eighteen years, memories of Russian domination have not faded, especially in light of recent activity in Georgia. Lithuania has been a strong and forward leaning NATO ally since 2004, but the Lithuanians see membership in Visa Waiver as welcome evidence that they are securely ensconced "in the club.
- ¶2. (SBU) Though your visit will be short, it will be busy. You will meet with Lithuanian President Adamkus and will hold a press conference immediately afterward. This media event will give you the opportunity to highlight publicly Lithuania's entry into the Visa Waiver Program, announce the effective date (presumed to be sometime in mid-November), and also emphasize the necessity of using the Electronic System for Travel Authorization (ESTA) -- a requirement of which much of the general public is probably unaware.
- $\P3$. (SBU) I will also be hosting a lunch at my residence in your honor, and expect the ministers of Foreign Affairs, Interior, and Transportation as well as a representative from the State Security Department -- all of which contributed during the Visa Waiver qualification process -- as well as the American Caucus in Parliament. This lunch will afford you the chance to celebrate with senior Lithuanian officials Lithuania's entry into Visa Waiver and also share any additional details on the program.

Lithuania

- ¶4. (U) Lithuania itself is no longer an emerging democracy but an established one. In the first round of recent Parliamentary elections, held October 12, the center-right Conservative party won the most seats. A second round will be held October 26. By the time of your arrival, political parties should be deep in coalition talks. We expect the final government to form by mid-November. Regardless of the final composition, the parties that have done well so far in these elections are generally pro-NATO and pro-EU and we expect the new government will not deviate from Lithuania's current foreign policy path.
- 15. (U) Lithuania, particularly in recent years, has assumed a notable role in promoting peace and prosperity in its own eastern European "neighborhood" and in supporting NATO missions as far away as Afghanistan. Lithuania is lobbying NATO (as well as the EU) to strengthen its ties with Georgia and Ukraine, openly supporting extending MAP offers for both. The Lithuanians also favor a more conciliatory approach to Belarus, their immediate neighbor to the East, advocating increased EU engagement as a countermeasure to Russian

influence.

- 16. (U) Lithuania currently has more than two hundred "boots on the ground" in Afghanistan in support of ISAF. It leads a multinational Provincial Reconstruction Team in Afghanistan's Ghor province, and also contributes forces to more front line counterinsurgency operations to the south. Lithuanian soldiers also serve as peacekeepers in the Balkans.
- 17. (U) In spite of the worldwide economic slowdown, Lithuania is still one of the fastest growing economies in Europe. However, heady growth has slowed from last year's 8.8 percent to a predicted 5 percent this year. Domestic demand is beginning to slacken, wage increases are slowing and unemployment is projected to be 5.3 percent for 2008. Lithuania needs to attract foreign investment to sustain long-term growth, which complements our own objective of attracting more U.S. investment here. The United States is the twelfth largest source of foreign direct investment in Lithuania, with investments totaling approximately 306 million USD as of the end of June 2008. Lithuanian emigration has slowed in recent years, but earlier high rates have resulted in large Lithuanian emigrant communities in London, Dublin, and Chicago.

President Valdas Adamkus

18. (SBU) Your sole bilateral meeting on October 30 will be with President Valdas Adamkus, himself a post World War II emigrant to the U.S. and former American citizen. He had a long, successful career with the EPA, all the while being

active in the Lithuanian American community. He moved back to Lithuania in the early 1990's and previously served as president from 1997 to 2002, when he lost his bid for reelection to populist Rolandas Paksas. Adamkus regained the presidency following Paksas's impeachment and removal from office in April 2004 in proceedings that rocked the nation and tested the democratic institutions of the young republic. Now well into his second term, Adamkus is pro-U.S. and a strong supporter of NATO's eastern expansion. He met with President Bush in Washington in late September and discussed the possibility of Lithuania's entry into Visa Waiver; and he is no doubt very pleased that less than two months later it has happened.

Your Visit

19. (SBU) I will greet your delegation upon arrival in Vilnius and we will proceed directly to the President's palace for the meeting with President Adamkus. After the press conference we will go to my residence for a lunch with Lithuanian officials. I will then escort you back to the airport for your departure. Let me again say that entry into Visa Waiver is a most welcome bit of news for this small yet valuable NATO ally; it is also a highlight of my tenure here. I and all of my staff at Embassy Vilnius very much look forward to your visit.